



# 2020 Sunset Review Handbook

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**Jessica Lynch**

Vice President, Housing Finance  
202-266-8401 or 800-368-5242,  
ext. 8401

**Heather Voorman**

Program Manager, HF&RA  
202-266-8425 or 800-368-5242,  
ext. 8425

# NAHB Policy Due to Expire June 2020

## NAHB Resolutions/Recommendations Subject to NAHB's Sunset Review Process

The Resolutions Committee will be implementing NAHB's "Sunset Review" process for resolutions adopted or reaffirmed in 2016.

The committees and councils with primary oversight of these policies have reviewed this handbook and submitted a tentative list of resolutions that they recommend be extended for another four years. An explanation for the committee/council recommendation to "reaffirm" or "sunset" a particular policy is included.

Policies that are recommended to be reaffirmed are highlighted in gray.

The list of resolutions to be reaffirmed will be finalized by the Resolutions Committee during the virtual NAHB Spring Leadership Meeting.

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## CONSTRUCTION AND CODES

### 2016.8 No. 4 Resiliency

Resolved that the National Association of Home Builders urge Congress to take a comprehensive approach to addressing natural disasters and their effects on the entire housing stock of the U.S. while reducing the costs associated with natural disasters;

Further resolved that NAHB urge Congress, the Administration, and state and local governments to focus any resiliency efforts on implementing cost-effective, market driven solutions that encourage greater resiliency in the nations' housing stock while preserving housing affordability and maintaining the availability of land;

Further resolved that NAHB urge any entity considering a resiliency initiative to obtain input from the home building industry and:

- 1) Focus on highest risk areas and improving the older homes, structures, and infrastructure that are less resilient to natural disasters;
- 2) Focus on improving the ability of state and local governments and community organizations to plan for, prepare for, and respond to natural disasters;
- 3) Establish baseline thresholds and reasonable performance levels for all probable risks based on sound scientific data;
- 4) Consider reasonable and probable impacts that natural and man-made disasters may have on the specific community and built environment at the regional, state, and local level;
- 5) Consider the impact of any new regulations and requirements on the financial and real estate industries;
- 6) Ensure any resiliency or related mitigation options or requirements are flexible and focused on achieving the desired results, not simply adding paperwork or other administrative burdens;
- 7) Rely on a clear methodology to substantiate proposed resiliency strategies and alternatives, including cost benefit analyses, economic impact analyses and technology assessments; and
- 8) Maintain local control over community planning and land use decisions.

Further resolved that NAHB urge the federal government, state and local governments, and the finance, insurance and real estate industries to provide tax credits, grants, insurance discounts, interest rate reductions, increased valuations, and other incentives to offset the impact of any resiliency initiatives on home construction or purchase price, minimize increases in mortgage and insurance payments and preserve the ability of a homeowner to qualify for a mortgage to purchase a home incorporating resilient construction; and

Further resolved that NAHB urge the federal government to provide the necessary resources to builders, developers and building code officials to enhance their knowledge of the national model codes and acceptable and realistic mitigation strategies, thereby improving compliance with the construction codes and land development requirements that will lead to enhanced resiliency in our communities.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This policy supports NAHB's ongoing efforts to fight costly mitigation measures and land use limits targeted at new construction and proposed in the

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wake of major events like Hurricane Harvey and Irma and the recent California wildfires.

## **2016.1 No. 2 Americans with Disabilities Act**

Resolved that the National Association of Home Builders (NAHB) support the goals of the Americans with Disabilities Act;

Further resolved that NAHB should continue to urge the U.S. Department of Justice, the U.S. Access Board, the U.S. Department of Transportation, the U.S. Department of Housing and Urban Development and other stakeholders to expand outreach efforts on programs and initiatives to educate the construction industry about the requirements of the Americans with Disabilities Act and how to comply;

Further resolved that NAHB continue to support the Department of Justice as providing a safe harbor for complying with the accessibility requirements of the Americans with Disabilities Act;

Further resolved that NAHB work with other interested groups, including building product manufacturers, disability advocates, land development groups, and real estate and construction groups to promote education, outreach and compliance with the accessibility requirements of the Americans with Disabilities Act;

Further resolved that NAHB urge the Department of Justice to develop clear criteria for meeting the requirements of the Americans with Disabilities Act;

Further resolved that NAHB advocate for legislative, regulatory, and legal changes to limit liability for those industry members who make a good faith effort to meet the requirements of the law.

*(Land Development Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution supports NAHB's efforts to seek clarification from government stakeholders and further and this resolution will allow NAHB to assist members who continue to confront challenges related to clear guidance regarding the Americans with Disabilities Act.

## **2012.6 No. 2 Earthquake Hazard Mitigation**

Resolves that NAHB play a key role in the development of public policy on earthquake mitigation affecting the housing industry and work to develop industry coalitions to minimize the economic impact of model code changes and submit cost-effective proposals for seismic performance of buildings to model building code and standards development organizations,

Further resolves that NAHB support those National Earthquake Hazard Reduction Program (NEHRP) recommended provisions and seismic mitigation practices which are cost-effective and recognize conventional construction practices,

Further resolves that NAHB oppose excessive seismic regulations and laws that do not reflect the actual seismic risk, and

Further resolves that NAHB oppose any efforts to require and/or expand special inspections or quality assurance programs for one- and two-family dwellings, or multifamily buildings, including mixed-use buildings, which do not exceed three stories in height above grade plane or 16 units in number, that

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are in excess of those presently required by the major model building codes and the NEHRP provisions to assure the performance of lateral force-resisting systems in Seismic Design Categories C, D, E or F.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This policy supports NAHB's continued work with FEMA, NIST, ASCE, and others to pursue cost-effective provisions for earthquake resistance in codes and standards. Structural engineers continue to propose expanding special inspection requirements that would affect multifamily construction.

## 2012.6 No. 4 Federal Agency Housing Research and Development Activities

Resolved that NAHB urge Congress and all relevant federal agencies to make housing a higher priority by participating in a research, development and testing process which brings together housing producers, federal agencies, product manufacturers and public, private and university researchers; and

Further resolved that NAHB urge Congress to require that future housing related research be developed and funded through nationally recognized housing research organizations and in close coordination with the housing industry.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This policy is still relevant and supports NAHB efforts to lobby Congress to appropriate more funding to the USDA Forest Products Laboratory and the DOE research programs, which Home Innovation Research Labs in turn could apply for. NAHB's Construction Technology Research Subcommittee has funded multiple projects through Home Innovation that utilized FPL or DOE co-funding.

## 2008.5 No. 2 Stair Geometry Standards

Resolved that NAHB continue to support stair geometry provisions limiting maximum riser height to 8¼ inches and minimum tread depth to 9 inches for residential dwellings;

Further resolved that NAHB continue to recommend that all state and local governments amend the stair geometry requirements for residential dwellings to be consistent with NAHB policy and/or retain the stair geometry from their legacy codes when adopting a new edition of a national model building code;

Further resolved that NAHB continue to assist state and local affiliated home builders associations with efforts to persuade state and local code authorities to amend the stair geometry requirements for residential dwellings to be consistent with NAHB policy; and

Further resolved that NAHB continue to actively monitor and seek out credible research initiatives to quantify the impact on stair safety and housing affordability of proposed changes to stair geometry requirements compared to those supported by NAHB policy, and pursue code changes consistent with those findings.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This is a long-standing policy that is part of NAHB's code adoption

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action kits, and is used by state and local HBAs in the adoption of their building codes. This policy also supports NAHB opposition to proposed changes to national model codes that would even further reduce riser heights and expand tread depths.

## 1996.5 No. 11 Standards Referenced in Legislation and Regulations

Resolved that NAHB urge Congress and federal agencies, when referencing private sector standards in legislation and regulations, to reference only standards developed through proper consensus procedures (including balanced committees and a fair and open process) such as those of the American National Standards Institute (ANSI) and the American Society for Testing and Materials, and not to reference any standard that has been denied approval by ANSI.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution encourages congress and federal agencies to reference only industry standards that are develop through a consensus process such as that developed and enforced by ANSI. This is consistent with OMB Circular A-119. As an example, this supports NAHB’s legislative work to reference the ANSI-approved National Green Building Standard over USGBC’s LEED standards and programs that are not ANSI approved.

## 1992.5 No. 19 Building Codes for Affordable Housing

Resolved that NAHB ask the Secretary of the Department of Housing and Urban Development to withhold federal grants and loans to those states that use building codes that exceed the national model building codes and to apply the same restriction to any other stand-alone law that deals with a building code.

*(Construction, Codes & Standards Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution supports NAHB’s policy that building codes should be the minimum required to address life-safety and general welfare, and also provide a cost-benefit to the end user.

# NAHB POLICY DUE TO EXPIRE

## ENERGY AND GREEN BUILDING

### 2016.1 No. 6 Water Conservation

Resolved that the National Association of Home Builders (NAHB) support approaches and initiatives that encourage water conservation and efficiency in new and existing structures as long as those programs:

- 1) Are voluntary, affordable and recognize consumer preferences;
- 2) Are sufficiently flexible and include prescriptive options that do not require calculation or experts to apply, and include design guidelines that can be applied independent of a specific home design;
- 3) Include low-cost options;
- 4) Where applicable, recognize multiple rainwater, gray water and landscaping options; and allow water savings at alternative location(s) to be credited to new homes; and
- 5) Recognize that the degree of concern with water supplies and decisions, varies widely across regions and localities.

Further resolved that NAHB promote Chapter 8 of the National Green Building Standard as a reference guide for those entities seeking to establish water efficiency programs.

Further resolved that NAHB support incentives to facilitate early adoption of water saving products and practices, such as those that lead to a reduction in construction fees, conservation tax credit programs, and rebates on efficient fixtures and appliances.

Further resolved that NAHB encourage the development and voluntary use of water calculation tools that account for total water consumption both within the structure(s) and the overall property and include both delivered potable water and water from precipitation.

*(Environmental Issues Committee, Construction, Codes & Standards Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution establishes NAHB support for voluntary water conservation and efficiency standards that provide financial incentives to builders and homebuyers, promote water conservation through consumer awareness, water rating systems for new residential construction, voluntary water efficiency standards for plumbing fixtures and new homes, and recognizes water conservation measures identified under chapter 8 of NAHB's National Green Building Standard.

### 2008.2 No. 7 Appraisals of Green Homes

Resolved that NAHB urge the appraisal industry to develop guidelines for appraisals of residential properties that consider the energy savings and environmentally sensitive components associated with the value;

Also resolved that NAHB promote appraisals of residential properties that are qualified under the "Model Green Home Building Guidelines" or the "National Green Building Standard" and similar programs of affiliated state and local associations that consider the full value and reduced operating costs of that program's requirements; and

Also resolved that NAHB urge the developers of appraisal cost manuals and software to include the cost data on green and energy features in their products.

*(Environmental Issues Committee, Housing Finance Committee)  
(Expiration Date: 2020)*



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**Recommendation:** Reaffirm. This resolution establishes NAHB's policy regarding the appraisal process for high performance, (i.e., green built homes) the policy urges the appraisals industry to develop guidelines to ensure the energy savings resulting from high-performance built homes are reflected in home's appraised value. NAHB members continue to confront challenges concerning the valuation of green and energy efficient features in homes. This resolution supports policy independent of the more comprehensive appraisal policy and is needed to cover NAHB's efforts on these specific issues.

## 2008.2 No. 5 Cost Effective and Affordable Energy Codes and Standards

Resolved that NAHB urge lawmakers, regulators and other policymakers to support only those energy codes, standards and legislation that are cost-effective and affordable.

Further resolved that NAHB define increases in energy efficiency provisions to be "affordable" only if principal, interest, taxes and insurance, plus utilities, will be no greater after the inclusion of the cost of the additional energy-efficiency features required by any new energy code or standard provision than before.

Further resolved that NAHB consider increases in energy efficiency provisions to be "cost-effective" only where the initial cost and annual savings to home buyers meet the following criteria:

- 1) Are analyzed from the perspective of first-time home buyers, who typically have modest incomes and limited resources for downpayments.
- 2) Are based on the final cost to the home buyer rather than the change in costs to the builder.
- 3) Are estimated using methods and data that are reliable and verifiable.
- 4) Result in a simple payback (initial cost divided by first-year savings) to the home buyer that does not exceed 10 years.
- 5) Are evaluated on an incremental basis where the cost and savings for each change are calculated independently and added successively to a baseline that includes existing energy provisions as well as the other changes in a particular proposal.

Further resolved that where the federal government mandates energy codes/standards for federally insured or guaranteed housing, such codes and standards must be cost-effective and affordable.

Further resolved that NAHB urge Congress, state legislatures and local governments to work with private and public utilities, as well as the Department of Energy, to use incentives, grants and tax credits to assist the home buyer to purchase above-code energy features in the purchase of a new home.

Further resolved that, any energy efficiency legislation, regulation or code change related to housing be accompanied by an economic study of the impact on affordability and cost effectiveness.

Further resolved that NAHB continue to develop compliance tools and conduct educational programs that will help builders and code officials understand and correctly apply the provisions of the energy codes and standards (i.e., International Residential Code, IRC; International Energy Conservation Code, IECC; and American Society of Heating, Refrigerating and Air-conditioning Engineers, ASHRAE).

*(Construction, Codes & Standards Committee)*

*(Expiration Date: 2020)*

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**Recommendation:** Reaffirm. This resolution provides NAHB's definition of “cost-effective and affordable” for evaluating proposed changes to energy codes, standards, and legislation. This is a critical subject that frequently requires NAHB to take a position. The resolution continues to support member and staff efforts in educating various stakeholders on the issue of housing affordability and home buyer preferences.

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## ENVIRONMENT

### 2008.5 No. 6 Stormwater Regulation

Resolved that NAHB urge Congress to recognize and address the unique issues associated with stormwater by replacing Section 402(p) of the Clean Water Act with a flexible program that more appropriately reflects the challenges, uncertainties and geographic differences associated with stormwater discharges across the country;

Further resolved that when and if necessary, stormwater runoff from construction activities be managed at the state or local level utilizing Best Management Practices in lieu of more stringent effluent guidelines or numeric standards; and

Further resolved that NAHB urge the U.S. Environmental Protection Agency and state and local governments to:

1. Adopt streamlined, cost-effective permit processes that reduce duplication and redundancy in permitting at the federal, state and local levels;
2. Ensure that all water programs take into account site-specific conditions and are appropriately tailored to environmental risk;
3. Ensure that any Total Maximum Daily Loads that include stormwater consider the relative contribution of stormwater discharges from construction sites among all contributing sources and ensure that any permit limitations are reasonable and cost-effective;
4. Ensure that federal, state and local water quality programs are focused, flexible, and founded on sound science;
5. Ensure that water quality trading programs for builders are fair, voluntary and appropriately conducted with proper guidance and assistance for successful implementation;
6. Remove impediments and provide construction site operators with the flexibility to utilize voluntary, innovative and cost-effective, practical site design to meet state and local requirements in reducing stormwater discharges; and
7. Provide educational and outreach materials to construction site operators to help increase compliance.

*(Environmental Issues Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution focuses on the current stormwater permitting process for land development and construction activities under the Clean Water Act (CWA). The resolution also establishes NAHB's position on related water quality permitting issues impacting land development and construction activities under the CWA such as Total Maximum Daily Loads (TMDLs) and Effluent Limitation Guidelines (ELGs).

### 2004.4 No. 6 Stormwater Enforcement

Resolved that the National Association of Home Builders (NAHB) urge the Environmental Protection Agency (EPA) to:

1. Establish national enforcement and compliance policies to create uniformity across the country.
2. Limit its enforcement actions in delegated states to only those instances where there are significant environmental impacts resulting from the alleged violation; at a minimum, identifying what conditions or criteria must exist prior to the agency initiating any enforcement action within a delegated state.
3. Hold the delegated states responsible for any shortcomings in the enforcement of their programs and require the states to correct any perceived program defects instead of circumventing the state and its legally-binding requirements to reach individuals.

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4. Establish a reasonable, predictable time frame between the date of inspection and final agency action and commit to train all inspectors and ensure that they complete an exit interview with documentation with the permittee at the conclusion of each inspection, with no penalties assessed if no exit interview is conducted.
5. Consider developing a mechanism to overcome the legal oversight needed to make violation determinations so that violation and penalty assessments can be issued in the field.
6. Tailor its finding of violation and penalty assessment structure to the severity of the environmental impact; limit penalties for paperwork violations; and recognize and give credit during enforcement proceedings to those who are genuinely seeking to comply, and to implement a 14-day right to cure policy to avoid penalties.
7. Expand the applicability of the Expedited Settlement Offer (ESO) by recruiting more EPA regions and states to use the ESO and widen the scope so that it applies to a broader range of enforcement scenarios.
8. Commit to implementing internal practices such as monitoring, self-auditing or developing policy guidance to ensure that like allegations and findings of violations are treated similarly and in proportion to the level of environmental impact.
9. Commit the staff and resources to work with NAHB and the state and local governments to develop compliance materials and conduct outreach activities to improve compliance with the storm water program.

*(Environmental Issues Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Stormwater inspection and enforcement processes under the federal Clean Water Act (CWA) by the U.S. Environmental Protection Agency (EPA) and EPA delegated states remains a priority for NAHB members. This resolution outlines NAHB's position on stormwater enforcement practices of the U.S. Environmental Protection Agency (EPA) as well as EPA delegated states under the Clean Water Act. The resolution identifies specific steps EPA and EPA delegated states can take to improve the current stormwater inspection and enforcement process.

### 2004.4 No. 9 Submetered Water Systems

Resolved that the National Association of Home Builders urge the Environmental Protection Agency (EPA) to reinterpret its definition of public water system/water supplier to maintain its exclusion of multifamily property owners who install water submeters and to exclude private multifamily property owners who utilize RUBS and other billing systems, including those systems that promote water conservation, from the SDWA requirements.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The EPA has not revised its definition of public water system/water supplier to exclude private multifamily property owners who utilize RUBS and other billing systems. Instead, they are allowing states to make this determination. NAHB believes that in order to establish consistent practices across the country, the EPA must release guidance that exempts these types of billing systems, in addition to sub-metered projects.

# NAHB POLICY DUE TO EXPIRE

## GENERAL GOVERNMENT & ECONOMIC POLICY

### 2016.1 No. 1 Emerging Technology in Residential Construction

Resolved that the National Association of Home Builders (NAHB) support efforts before Congress, the Administration, and the Courts to protect small businesses from misguided regulation and potential legal liability related to the deployment of emerging technologies in residential construction;

Further resolved that NAHB oppose laws, regulations or court decisions that impose uncompetitive limits on the usage of emerging technology in residential construction or the business practices of NAHB members;

Further resolved that NAHB work with stakeholders, including other construction groups and product manufacturers, to promote development of new technologies that improve the business operations or construction techniques in the industry.

*(Business Management & Information Technology Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm this resolution because it supports NAHB's efforts to address emerging technology issues affecting NAHB members as they conduct their businesses. The resolution will also allow NAHB to advocate on behalf of its members with respect to data security legislation and regulations.

### 2016.1 No. 4 Require Congressional Review for Rule Adoption

Resolved that the National Association of Home Builders support the "Regulations from the Executive in Need of Scrutiny Act" (REINS Act) and actively solicit Presidential Candidates' public promise to sign it into law if passed by Congress.

*(Federal Government Affairs Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Issue of regulatory reform still an active issue.

### 2012.6 No. 1 Recognition of Benefit of Advocacy for Small Business Interests

Resolves that NAHB be proactive with the administration and the courts to reinforce existing legal requirements on federal agencies to consider the impacts of regulations on small business, as well as the need for Congress to weigh the costs and benefits of new laws; and

Further resolves that NAHB support efforts to reduce administrative burdens and their associated costs on small businesses.

*(Federal Government Affairs Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.

### 2008.2 No. 6 Telecommunications Access, Marketing and Billing

Resolved that NAHB support mutually agreed-upon contractual arrangements between owners and video service providers that create value for the owner, the service provider and the occupant.

Further resolved that the federal government should not restrict the ability of builders, developers

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and owners to enter into “bulk billing” or “exclusive marketing” contracts with video service providers, where they enhance the probability that a provider will expand service or that consumers may be able to be served at lower prices.

Further resolved that federal regulations should not impair incentives that may be necessary to bring service to any unserved residential markets.

Further resolved that NAHB staff is authorized to oppose regulations that would impair the freedom of owners, builders or developers to make video and telecommunications contracts that are necessary to provide desirable services to occupants at affordable prices.

*(Multifamily Council Board of Trustees, Federal Government Affairs Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The Federal Communications Commission ruled that exclusive service contracts for terrestrial services (traditional cable services over wires or run underground) are okay for the time being; however, they may decide to re-examine this issue in the future.

### 1988.5 No. 25 Establishing Housing as a National Priority

Resolved NAHB reaffirm its position that a national housing policy should be a top priority and that the federal government must bear its fair share of funding aimed at the following objectives if we are to meet the housing needs facing the United States in the decade ahead:

1. Maintain and increase homeownership opportunities for both moderate-income and lower-income households;
2. Reduce the costs of housing by eliminating restraints imposed by regulation, excessive growth restrictions and a general failure in recent decades to provide adequate infrastructure to support continued development of affordable housing;
3. Increase the supply of affordable rental housing for low- and moderate-income families;
4. Preserve and enhance the exiting stock of federally assisted rental housing, while honoring previous commitments to private owners of this housing; and
5. Create rental programs targeted to the special needs of the elderly, the handicapped, those in rural areas and the ever increasing number of homeless and near homeless.

Further resolved that NAHB urge both national political parties, convention delegates and Members of Congress to support strong housing planks within the Democratic and Republican Party platforms.

*(Federal Government Affairs Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. In these times, this resolution is needed more than ever. It is evident that housing and the various housing programs need to be supported and promoted by the federal government. This resolution enables NAHB to promote and pursue legislative and regulatory avenues that meet these goals and support these housing programs.

### 1984.5 No. 26 Support for State Action on a Constitutional Amendment to Balance the Budget

Reaffirmed the association's policy of urging the Congress to enact legislation immediately that would

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lead to the ratification of an amendment to the Constitution of the United States requiring a balanced federal budget. The Board also urged the Congress, in the meantime, to enact a "balanced budget" statute. The Board said that the failure of the Congress to balance the federal budget has led to growing deficits that have "resulted in escalated interest rates to the detriment of prospective homeowners throughout the nation."

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. Enacted in 1984, this resolution reflects a different set of economic circumstances and is outdated policy.

### **1980.5 Require A Recorded Vote to Increase the Ceiling of the Federal Debt**

Resolved that NAHB urges Congress to adopt rules to require a recorded vote in both Houses whenever voting on a resolution to increase the ceiling of the federal debt.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. This resolution was adopted in 1980 and reflected times of high inflation. This policy is no longer applicable in the current economic environment.

# NAHB POLICY DUE TO EXPIRE

## HOME ENVIRONMENT

### 2012.2 No. 2 Lead-Based Paint and Lead Hazard Reduction

Resolved that NAHB continue working with HUD, the Centers for Disease Control and Prevention (CDC), and EPA to eliminate the risk of lead poisoning and support their goal of eliminating childhood lead poisoning;

Further resolved that NAHB urge HUD, EPA and the Occupational Safety and Health Administration (OSHA) to reconcile and support efforts to create consistency among the states in their lead regulations to ensure reciprocity in training and certification requirements, training programs and training grants;

Further resolved that NAHB encourage contractor training/certification in lead-safe work practices and promote their use by owners of multifamily properties and remodelers who work in properties containing lead-based paint built prior to 1978;

Further resolved that NAHB urge federal officials to support state and local efforts to create “safe harbors” from the risk of future claims and allegations for contractors, remodelers and multifamily property owners who follow EPA’s prescribed lead-safe work practices and are fully compliant with the recordkeeping and reporting requirements;

Further resolved that NAHB urge Congress to:

1. Direct HUD, EPA and CDC to report to Congress and the public annually on the overall progress toward achieving the goal of eliminating childhood lead poisoning and identify specific geographic areas and demographic groups who reside in housing stock (i.e. owner-occupied and rental housing) covered by EPA’s RRP rule and report what portion of these children are still at risk from lead hazards; and
2. Oppose adding any requirement for dust clearance testing to the rule through any appropriations or authorization legislation;

Further resolved that NAHB pursue all options to compel EPA to restore the Opt Out provision to the RRP rule; continue to oppose any future clearance testing requirements;

Further resolved that NAHB work with other non-governmental organizations to urge EPA to increase its efforts to increase consumer awareness as well as coalesce with these non-profits to further inform the general public of the rule’s requirements;

Further resolved that NAHB partner with EPA to develop education and outreach programs for home owners and an improved reliable pre-renovation test kit that can be used to determine if lead is present as defined on painted surfaces in pre-1978 structures; and

Further resolved that NAHB engage in the development of regulations for:

1. Public and commercial buildings and work to ensure that any new regulations are based on data concerning exposure pathways to lead-based paint in these structures; and
2. The definition of lead-based paint and lead-dust hazards.

Further resolved that NAHB encourage Congress to require EPA to develop realistic capital and compliance costs and that the details of those cost analysis be made available for public comment.

*(NAHB Remodelers Board of Trustees, Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*



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**Recommendation:** Reaffirm. NAHB continues to support the elimination of the risk of lead poisoning and to encourage development of options to facilitate contractor training/certification in lead-safe work practices. Also, progress still needs to be made to develop a reliable test kit and ensure the rule's provisions are clearly defined, effective, and free from unnecessary, onerous requirements.

# NAHB POLICY DUE TO EXPIRE

## HOUSING FINANCE

### 2016.1 No. 5 Comprehensive Framework for Housing Finance System Reform

Resolved that National Association of Home Builders (NAHB) urge Congress and the Executive Branch to reaffirm support for housing as a national priority in fulfillment of the mandate of the Housing Act of 1949, which pledged a “decent home and suitable living environment for every American family.”

Further resolved that the best way to achieve the goals of the Housing Act of 1949 is through a multifaceted housing finance system with both competing and complementary components, including private, federal, state and regional sources of capital liquidity. The system should support a reasonable menu of sound mortgage products for both single family and multifamily housing, governed by prudent underwriting standards and adequate oversight and regulation.

Further resolved that NAHB support the following comprehensive framework for housing finance system reform:

1. Maintain a robust housing finance system through the creation of a new securitization system for conventional mortgages backed by private capital and a privately funded mortgage-backed securities insurance fund with a federal government backstop in the event of catastrophic circumstances.

- Mortgage-backed securities are an essential component of the housing finance system for both single family and multifamily housing and a stable and reliable conventional secondary mortgage market requires a federal government backstop.

- A federal backstop is needed to ensure that 30-year fixed-rate mortgages are available at reasonable interest rates and terms.

- Federal support to the conventional mortgage market of the future should be limited to catastrophic situations where carefully calibrated levels of private capital and a privately funded insurance fund are depleted before any taxpayer funds are employed to shore up the mortgage market, in the following framework:

- o Private Housing Finance Entities (HFEs) would be authorized to purchase conventional single family and multifamily mortgages from loan originators and would assume the function of aggregating and packaging the loans into securities having a federal backstop.

- o HFEs could take on a range of forms:

One possibility would be to bring Fannie Mae and Freddie Mac (the Enterprises) out of conservatorship and restructure them as HFEs; as such they would be subject to the same rules (including safety and soundness and capital requirements) as all HFEs and their securities would be provided the protection and opportunities of the federal catastrophic backstop. Most important, the Enterprises’ infrastructure should be utilized regardless of the ultimate fate of Fannie Mae or Freddie Mac.

To the extent that the Federal Home Loan Bank System could adapt to the HFE system and desires to do so, one or more of the Federal Home Loan Banks (FHLBanks) could be restructured as HFEs, subject to the same requirements and protections of all HFEs. FHLBanks also could choose to expand their mortgage programs by aggregating loans for sale to HFEs.

- o Mortgage originators and HFEs would be required to maintain minimum capital to cover a portion of the credit risk on the pooled mortgages, with private mortgage insurance required in addition on higher loan-to-value mortgages.

- o A government-backed insurance fund (IF) capitalized with fees from the HFEs and originators (similar to the FDIC insurance fund to secure savings deposits) would provide an explicit government full faith and credit guarantee on the timely payment of principal and interest on the securities, not the underlying mortgages.

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- o The federal government would stand behind the insurance fund to ensure that the fund was actuarially sound, similar to the successful Government National Mortgage Association (Ginnie Mae) model.
- o The federal government would backstop the IF and would only expend funds to continue payments to MBS investors in a catastrophic event where private market participants (originators and HFEs) have reached their pre-determined level of loss and the insurance fund is depleted.
- o HFEs would be permitted to deal only in mortgages with well understood and reasonable risk characteristics.
- o Single family mortgage products could be required to meet the Consumer Financial Protection Bureau's Ability to Repay and Qualified Mortgage rules, generally this would include standard 30-year fixed-rate loans and adjustable rate mortgages (ARMs), and also have the flexibility to consider other products that may be beneficial to consumers, including shorter maturities, but only if these products have safe and sound loan terms and fully documented and soundly underwritten credit criteria.
- o Fannie Mae's and Freddie Mac's multifamily platform, including mortgage loan products and underwriting standards, should be retained and transferred to a new HFE framework.
- The HFE conventional mortgage securitization system should operate under the oversight of a strong independent regulatory agency to ensure all aspects of safety and soundness.
- o The regulatory agency would oversee the federal conventional MBS insurance fund and ensure the actuarial soundness of the fund, which would provide investors an explicit federal government guarantee of timely payment of principal and interest on HFE-issued MBS.
- o The regulatory agency would establish approval standards for originators, servicers and HFEs as well as underwriting standards, capitalization levels, loss coverage requirements and guarantee fees.
- o The regulatory agency also would establish a single platform for the issuing, trading and tracking of MBS. The single securitization platform would serve as the securitization framework for HFE-issued MBS and eventually support multiple issuers, including issuers of private label MBS.
- o The regulatory agency should be governed by a board with a structure modeled on that of the FDIC, where members would be required to have extensive experience in and/or knowledge of housing capital market transactions and issues and housing finance needs.
- o An Advisory Committee would also be established to advise the Board on broad market conditions. One member of the Advisory Committee would be required to be a representative of the home building industry.
- The transition to the new conventional mortgage market should be Congressionally-mandated, carefully planned and executed.
- o Changes to the housing finance system should be undertaken with extreme care and with sufficient time to ensure that U.S. home buyers and renters are not placed in harm's way and that the mortgage funding and delivery system operates efficiently and effectively as the old system is abandoned and a new system is put in place.
- o The impact of the transition on the mortgage and housing markets should be of paramount concern. Every effort should be made to reassure borrowers and financial markets that credit will continue to flow to creditworthy borrowers and that mortgage investors will not experience adverse consequences as a result of changes in process.
- o The old system should not be abandoned before the new system is fully functioning.

## 2. Restart a carefully regulated, fully private mortgage-backed securities system.

- Restore investor confidence in the private label mortgage-backed securities (PLS) market.
- o Increase transparency and disclosure around the collateral and structure of PLS.
- o Ensure all participants operate under adequate regulation and have a stake in the performance of the mortgages that are originated and sold.
- o Reform the credit ratings process to address conflicts of interest.
- o Provide investors assurance that their interests and rights are protected by a third party with

# NAHB POLICY DUE TO EXPIRE

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specific accountability for acting in their best interests.

## 3. Continue the roles of the federal government housing agencies.

- The housing finance support roles of the Department of Housing and Urban Development (HUD), Federal Housing Administration (FHA), the Department of Veterans Affairs (VA), the Department of Agriculture (USDA) and the Government National Mortgage Association (Ginnie Mae) should be preserved.
- Affirm existing NAHB policy that encourages steps be taken to make the operations of these agencies more efficient and effective.

## 4. Enhance the role of state and local housing finance agencies (HFAs) as a source of housing funds.

- HFAs should play a more prominent housing finance role through the development of new programs for new, for-sale housing and multifamily rental housing and should look for opportunities to partner with federal and private providers of housing capital.
- Efforts to address problems in the tax-exempt mortgage revenue bond market and to facilitate new HFA financing products should be encouraged.

## 5. Support options for the Federal Home Loan Banks (FHLBanks) to expand their role in the housing finance system.

- The FHLBanks should continue their current activities to serve as an ongoing key source of liquidity for institutions providing housing credit.
- Existing programs, such as the FHLBanks' mortgage purchase programs should be enhanced by allowing the FHLBanks to have greater options for managing their balance sheets, consistent with safety and soundness. The FHLBanks should be authorized to engage in additional activities, including purchase of multifamily mortgages, and services to support a full range of housing-related lending by their members.

## 6. Correct other flaws in the mortgage market that contributed to the causes of the Great Recession.

- It is extremely important to continue and complete steps to close the gaps in standards and oversight that allowed and facilitated the improper and illegal activities in financial and mortgage markets. This should be done by:
  - Ensuring the availability of sound mortgage products.
    - o There should be continued availability of financing for long-term (at least 30-year) fixed-rate mortgages, as well as mortgage products with well understood risk characteristics such as certain standard adjustable-rate mortgages and multifamily products.
    - o Mortgage maturities should also be available for longer than 30 years.
  - Ensuring the use of prudent mortgage underwriting guidelines.
    - o There should not be overly rigid adherence to loan-to-value limits that results in inappropriate rejections of creditworthy borrowers.
    - o Underwriting standards and decisions should be based on documented borrower credit and repayment capacity rather than expectations of rising collateral value.
    - o Policy makers should examine whether there is too much reliance on credit scores, such as FICO scores, to determine a borrower's likelihood of default, and whether the use of alternative credit data could offer lending opportunities to borrowers currently lacking access due to a low, inaccurate or unavailable FICO credit score.
    - o The negative consequences of today's tight lending conditions (due to credit overlays and buyback risk) must be addressed.

## NAHB POLICY DUE TO EXPIRE

o There should be recognition that multifamily rental properties have different risk profiles than other commercial properties and thus should not be subjected to inappropriate underwriting and credit standard decisions.

- Requiring sound mortgage securities structures and full transparency for investors.

o The process for mortgage securitization must be more transparent, providing adequate collateral and risk information for investors and regulators.

o Mortgage originators, lenders and investors should have appropriate accountability and liability for the instruments in which they are involved.

o Accounting rules for institutions that originate or hold mortgage-related assets should facilitate transparent and informative financial statements that accurately measure their performance and condition as ongoing enterprises.

- Ensuring that reforms are undertaken in a balanced and flexible manner so creditworthy borrowers are not disadvantaged.

o Short-term resolutions of mortgage and housing production credit issues should consider direct and indirect long-term consequences before implementation.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Comprehensive housing finance reform legislation remains elusive, though reform is gradually taking place through regulations issued by the Federal Housing Finance Agency (FHFA) to increase the safety and soundness of Fannie Mae and Freddie Mac. Resolution 2016.1 No. 5 continues to provide a broad roadmap of components of housing finance reform NAHB would support both as regulations issued by FHFA impacting Fannie Mae, Freddie Mac and the Federal Home Loan Banks as well as legislation impacting the broader housing finance system.

Furthermore, Resolution 2016.1 No.5 underscores the importance of the secondary market for multifamily liquidity. It supports preservation of Fannie Mae's and Freddie Mac's successful multifamily platform, mortgage products and underwriting, whether the current GSEs continue in their current forms or these operations are transferred to new entities. Additionally, the policy supports expanded multifamily roles for the Federal Home Loan Banks and housing finance agencies. The policy advocates maintenance of the successful secondary market multifamily platforms and processes and more choices of secondary market housing finance entities for borrowers.

### **2016.1 No. 3 Support for Ginnie Mae**

Resolved that NAHB urge Congress to remove Ginnie Mae's salary and expenses from the federal budget appropriations.

Further resolved that NAHB urge Congress to authorize Ginnie Mae to establish policies with respect to matters involving hiring, compensation, personnel management and procurement that are free from federal government constraints in order to be operated in a manner more consistent with the bank regulatory agencies, such as the Federal Deposit Insurance Corporation.

Further resolved that until such time that Ginnie Mae is removed from the federal budget appropriations process, NAHB urge Congress to ensure that Ginnie Mae has adequate funding to effectively monitor the financial health of its issuers/servicers and thereby continue to serve as an efficient and reliable contributor to mortgage market liquidity.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

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**Recommendation:** Reaffirm. NAHB should continue to support efforts that will strengthen the safety and soundness of Ginnie Mae. As a majority of Ginnie Mae’s mortgage-backed security (MBS) issuance now comes from non-depository institutions it remains important that NAHB support Ginnie Mae’s need for appropriate monetary and personnel resources to accurately monitor the counterparty risk of non-depositories whose finances are more difficult to assess than those of depositories.

Furthermore, the Department of Housing and Urban Development’s Housing Reform Plan, issued in September of 2019 at the direction of the Trump Administration in March 2019, specifies it is critical Ginnie Mae “have the appropriate tools to manage risk” and must be given “resources to hire and compensate talent with specialized expertise in the mortgage finance, risk management, and MBS markets.” NAHB should continue to have policy that reflects the Administration’s assessment of Ginnie Mae’s critical needs.

## 2012.9 No. 1 The Use of Eminent Domain in Mortgage Restructuring

Resolves that the NAHB supports adequate and affordable mortgage credit through all economic conditions;

Further resolves that NAHB opposes the use of eminent domain to take mortgages from mortgage-backed securities or financial institution portfolios; and,

Further resolves that NAHB opposes mortgage restructuring proposals that would significantly harm mortgage finance markets, reduce access to credit for borrowers, and prevent private capital from returning to the mortgage market.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. While the foreclosure crisis that was the result of the Great Recession has abated, and the number of underwater homeowners has significantly decreased, there are areas having a more difficult time recovering. The program that prompted this resolution has received less attention recently, but has not gone away completely and may resurface in light of recent mortgage market and economic disruptions due to the coronavirus. NAHB will continue to follow this issue.

## 2012.2 No. 4 Improving the Accuracy of New Construction Appraisals

Resolved that NAHB urge the following actions to raise awareness and address the problems of appraisals, which are essential to achieving a sound housing finance system and a sustained recovery in the housing industry and America’s economy.

Strengthen Education, Training and Experience Requirements for Appraisers of New Home Construction, including:

- The development of improved education requirements and qualifications for those who are assigned appraisals of new construction that ensure minimum educational and experience criteria for appraisers of new construction to ensure that lot values and building costs, including those for energy efficient, green building and other evolving new construction techniques and mortgage products, are fully considered in valuation of new home construction.
- The incorporation of the qualifications for appraisers of new construction into appraisal regulations as required by the bank regulatory agencies, Fannie Mae, Freddie Mac, the Department of Housing and Urban Development, the Department of Veterans Affairs Loan Guaranty Service Home Loan

## NAHB POLICY DUE TO EXPIRE

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Program and the United States Department of Agriculture, Rural Development.

- The prompt implementation of federal legislation directing the federal financial regulators to establish minimum state requirements for the regulation and licensing of appraisal management companies.

Improve the Quantity and Quality of Data for New Construction through:

- Establishment of an appraisal data base system for new construction.
- Standardization of loan level valuation data by Fannie Mae, Freddie Mac, the Federal Housing Administration (FHA), the Department of Veterans Administration (VA) and the United States Department of Agriculture, Rural Development in their Uniform Appraisal Dataset (UAD).
- Expansion of the UAD to include new construction, energy efficient and green building data standards.

Develop New Appraisal Standards and Best Practices for Conducting Appraisals in Distressed Markets by:

- Modifying current appraisal practices and procedures to consider all three approaches to value: cost, income and sales comparison in appraisals of residential properties.
- Giving greater weight in distressed markets to alternative means of valuation, such as the cost-based approach to value.
- Revising banking agency guidelines to require the appraisal entities used by financial institutions avoid the use of distressed sales as comparables for new construction sales, and if distressed sales are the only comparables available appropriate adjustments must be made to accurately reflect possible condition and stigma issues associated with the distressed property.

Develop Process for Expedited Appeals of Inaccurate or Faulty Appraisals through:

- Federal agency adoption of an appeals structure similar in design to that of the Department of Veterans Affairs Loan Guaranty Service Home Loan Program.
- The establishment of more efficient, timely and effective processes for State and local appraisal oversight.
- The establishment of a timely value dispute resolution process that is fair, balanced and appropriate to allow borrowers (mortgage and builder) to appeal appraisal values if bank appraisal assumptions are incorrect.

Strengthen Oversight of Appraisal Activities through:

- Full implementation of appraisal mandates in recent federal legislation:
  - o Appraisal independence
  - o Customary and reasonable fees
  - o Mandatory reporting of USPAP violations
  - o Strengthening of state appraisal oversight and enforcement of regulations.
  - o Dispute resolution
  - o Valuations other than appraisals
- Establishment of best practices for effective and consistent appraisal practices, policies and procedures.
- Creation of an effective state and federal regulatory system for appraisal oversight.

*(Housing Finance Committee)*

*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This policy covers NAHB's continuing efforts to address appraisal issues. This policy remains necessary as it provides direction for the broad approach that NAHB is pursuing to improve the appraisal process for new construction and is still needed to direct NAHB's efforts.

# NAHB POLICY DUE TO EXPIRE

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## 2012.2 No. 6 Foreclosures

Resolved that NAHB urge bank regulators to reduce the number of homeowners going into foreclosure by:

- Improving loan modification programs, such as Home Affordable Modification Program (HAMP), to require principal reductions when net present value tests support this option. Principal reduction should be paired with shared appreciation or other conditions to avoid the risks of moral hazard,
- Implementing further adjustments to refinancing programs, such as Home Affordable Refinance Program (HARP) and FHA Short Refinance, to allow for greater participation,
- Requiring second mortgages be incorporated into the protocol for handling non-performing loans and eligibility criteria for loan modifications.

Further resolved that NAHB support efforts to establish national servicing standards that include clear procedures for handling non-performing loans.

Further resolved that NAHB encourage states to develop best practices for handling non-performing loans so that servicers, investors and borrowers understand the rules. Establishing this protocol will ensure that all parties can take the appropriate steps in a prompt manner without fear of litigation.

Further resolved that NAHB support efforts to persuade America's financial institutions to take more effective loan modification actions and institute reforms in mortgage servicing to help home owners who are in financial need that have behaved responsibly in handling their mortgage and other financial obligations avoid foreclosure.

Further resolved that NAHB urge banks to engage in transparent and effective forms of communication with borrowers to avoid unnecessary financial distress.

Further resolved that NAHB support alternatives to foreclosures, such as short sales and deeds-in-lieu of foreclosure, and encourages states to make these processes more efficient, and urge financial institutions and their regulators to implement more effective asset sale procedures and more diligent property maintenance practices.

Further resolved that NAHB seek program and policy changes to reduce the inventory of Real Estate Owned (REO) properties, such as:

- Permitting for-profit companies to fully participate in all aspects of the disposition of the REO properties, including the purchase, management, leasing, and rehabilitation of the properties,
- FHFA and FHA establishing financing options for builders and investors to purchase REO properties and increase the caps on the number of GSE loans an investor can have,
- Modifying existing federal housing programs, such as the FHA Section 203(k) program, to allow investor participation in disposing of REO properties,
- Facilitating the creation of investor lease-to-own programs that can be operated at scale,
- Fannie Mae, Freddie Mac and FHA revising their condo policies to provide needed liquidity to reduce the excessive inventory, such as flexibility with regard to owner-occupancy ratios, investor ownership ratios, pre-sale requirements and delinquent HOA assessments.
- State housing finance agencies (HFAs) should be granted additional authority to assist troubled mortgage borrowers and speed the absorption of foreclosed homes.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This resolution was developed in response to foreclosures and the servicing of delinquent loans as a result of the Great Recession, including loss mitigation



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and loan modification programs. As a result of mortgage relief efforts enacted by the Agencies and GSEs due to the COVID-19 pandemic, this resolution should remain to address related issues as they arise.

## 2008.5 No. 10 Improving Mission Efforts by Fannie Mae and Freddie Mac

Resolved that NAHB urge Fannie Mae and Freddie Mac to reconsider recent changes in their underwriting and fees in light of their government charter and mission to provide liquidity and to improve the affordability of housing for home buyers and renters; and

Further resolved that NAHB urge Fannie Mae and Freddie Mac to find means to raise capital and manage risk that do not reduce homeownership and rental housing opportunities.

*(Federal Government Affairs Committee, Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Efforts to raise capital and manage risk to protect homeownership and rental housing opportunities remain key to Fannie Mae's and Freddie Mac's ability to meet their housing mission, which remains in place even while the companies are in conservatorship. Dr. Mark Calabria, Director of the Federal Housing Finance Agency (FHFA), has announced his intent to recapitalize Fannie Mae and Freddie Mac (the Enterprises) and propose enhanced risk-based capital requirements to ensure their safety and soundness when they exit conservatorship. NAHB will need to monitor these efforts and respond as necessary to ensure Calabria's actions and proposals do not harm opportunities for homeownership and rental options.

## 2004.10 No. 2 Treating Grants and Subordinated Mortgages as Equity for FHA-Insured Home Mortgages

Resolved that NAHB urge the Department of Housing and Urban Development to recognize homeownership grants and subordinated loans as a home buyer's equity for the Federal Housing Administration-insured loans, and to make commensurate adjustments in the mortgage insurance premiums and/or underwriting requirements for such loans.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The inability to accumulate funds for a downpayment continues to be a significant barrier to homeownership. NAHB policy passed in 2010 calls on NAHB to work with the industry and Congress to develop additional downpayment assistance programs that will operate in a safe and sound manner. NAHB will continue to urge FHA to recognize the role of government grants and secondary financing in their underwriting guidelines and how these sources might reduce the borrower's equity requirements for a home purchase.

## 1996.9 No. 4 FHA Financing of Rental Housing of Less Than Five Units

Resolved that NAHB urge Congress to authorize the Federal Housing Administration to insure loans secured by non-owner occupied one- to four-family structures under its single family mortgage insurance program.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Pursuant to Section 203(b) of the National Housing Act [12 U.S.C. 1709], FHA-insured mortgages are not permitted for one-to-four family properties that are not owner-occupied. In some areas, there is an unmet need for one-to-four family rental

## NAHB POLICY DUE TO EXPIRE

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properties. The availability of FHA-insured loans for these structures would help to alleviate this need. NAHB should continue to urge Congress to adopt legislation that will enable FHA to implement a program to insure loans secured by one-to-four family rental properties.

### 1992.9 No. 6 Improving HUD's Construction/Permanent Program

Resolved that NAHB urge the Congress to provide the Federal Housing Administration with legislative authority to insure construction loans to qualified borrowers as part of its Construction/Permanent Program.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Under FHA's construction-to-permanent loan program, loans do not gain FHA insurance coverage until completion of construction. The resolution calls for Congress to provide legislative authority for FHA to insure loans from the commencement of construction. NAHB should continue to urge Congress to pass legislation enabling FHA to insure loans in the construction-to-permanent loan program from the beginning of construction instead of at completion.

### 1988.5 No. 20 Government National Mortgage Association Servicing Fee

Resolved that the NAHB oppose any change in the servicing fee of the Government National Mortgage Association.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The resolution calls for NAHB to oppose any change in the servicing fee for loans included in Ginnie Mae securities. While there are no current formal proposals to change Ginnie Mae fees, the Department of Housing and Urban Development's (HUD) Housing Reform Plan, issued in September 2019 at the direction of the Trump Administration in March 2019, recommends that Congress should pass legislation granting Ginnie Mae the authority to administratively adjust its guaranty fee within a narrow, permissible range. The plan stipulates that Ginnie Mae would be required to justify and seek approval for any proposed adjustments from the HUD Secretary, but the change would require no further passage of law by Congress. Per HUD's plan, this is a proposal Ginnie Mae supports to help it maintain fiscal soundness. While, NAHB supports fiscal soundness for Ginnie Mae, we should continue to oppose a change. An increase in the guaranty fee would increase mortgage costs and a decrease would potentially harm the fiscal safety and soundness of the agency.

# NAHB POLICY DUE TO EXPIRE

## HOUSING PROGRAMS

### 2004.10 No. 7 Improve Leverage Requirements in HUD Grant Programs

Resolved that NAHB urge the Department of Housing and Urban Development to encourage housing project sponsors who use HOME and Community Development Block Grant funds to achieve maximum leveraging of public dollars.

Further resolved that NAHB urge Congress to eliminate or substantially reduce the amount of funding allocated as set-asides for special purposes under the Community Development Fund and increase the amount of funding allocated to formula grants.

*(Federal Government Affairs Committee, Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Both programs have a good history of leveraging public dollars with private funds, and such leveraging is critical in this difficult fiscal environment. Today, there are considerably fewer set asides within the HOME and CDBG programs, but some remain. For example, the HOME statute requires each participating jurisdiction to reserve at least 15 percent of its HOME grant for projects owned, developed, or sponsored by Community Housing Development Organizations (CHDOs). Providing additional funds for formula grants, rather than allocating funds for special purposes, is a fairer process and ensures that eligible communities are able to make use of these federal dollars. Similarly, funding for these programs is strained by the number of qualifying entitlement grantees for each program. The programs simply are not receiving sufficient appropriations to spread across the number of grantees. Therefore, it is essential to stretch existing resources as far as possible by leveraging the grants against private funds.

### 2004.4 No. 1 Age Restrictions for Rental Properties Insured by the Federal Housing Administration

Resolved that NAHB urge the Department of Housing and Urban Development (HUD) to provide the Federal Housing Administration mortgage insurance pursuant to the Sections 221(d)(3), 221(d)(4) and 223(f) programs for age-restricted housing intended solely for older persons in conformance with the spirit and intent of the Fair Housing Amendments Act of 1988 and the Housing Older Persons Act (HOPA). In the event that HUD fails to do this on its own, NAHB will urge Congress to pass legislation requiring such action.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. HUD clarified its guidance on age-restricted elderly housing in the January 2016 Multifamily Accelerated Processing (MAP) Guide. Unfortunately, the policy does not conform to NAHB's resolution. Under the Fair Housing Act Amendments of 1988 (FHAA) and HOPA, age-restricted housing intended solely for older persons (age 55+) is permitted to prohibit persons under the age of 55, including children under age 18. However, HUD's policy will not permit FHA mortgage insurance for new construction or substantial rehabilitation of age 55+ housing. HUD permits acquisition or refinancing of tax credit projects (but not market rate) with age 55+ HOPA restrictions in place for three years prior to application.

### 2000.5 No. 2 Housing as a National Priority

Resolved that NAHB work with the Department of Housing and Urban Development (HUD) to develop new federal housing production programs and make modifications to existing HUD programs to effectively serve households requiring assistance in obtaining affordable housing.

# NAHB POLICY DUE TO EXPIRE

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Further resolved that NAHB urge Congress to authorize and direct the implementation of such programs in cooperation with private housing industry partners, without preferences for nonprofit providers.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. In these times more than ever, housing needs to be made a national priority. In these times where financing for housing in both urban, rural area, and under-served markets remains a challenge, and the future of housing finance is still unknown, NAHB needs to be able to use this resolution to work for legislation and government policies that will help with the various housing programs, and government entities help those who need choices in housing and our members who build it.

## 1996.1 No. 4 Rural Housing Programs

Resolved that NAHB support the research, development and implementation of alternative cost-effective and more self-sufficient housing financing programs, including programs serving rural and under-served markets.

*(Housing Finance Committee, Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Financing housing in rural area and under-served markets remains a challenge.

## 1992.5 No. 46 Tenant Participation

Resolved that NAHB oppose mandatory tenant participation in the operation, management, refinance, prepayment and other related ownership decisions in all HUD insured projects.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Tenant advocacy groups continue to support mandatory tenant participation as described above.

## 1992.1 No. 33 Housing Finance Agency Programs

Resolved that NAHB urge states and housing finance agencies to initiate, develop, and/or implement affordable housing programs to provide:

1. Production financing for land acquisition, development and construction of new, for-sale housing;
2. Permanent mortgages for new, for-sale housing from sources of capital other than mortgage revenue bonds; and
3. Debt financing, equity and housing subsidies for multifamily rental housing.

*(Housing Finance Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Housing Finance Agencies remain critical sources of financing for both single-family for sale and multifamily rental production. The agencies' role in the housing finance system may expand even further as decisions are made about the future of the government sponsored enterprises and federal housing programs.

# NAHB POLICY DUE TO EXPIRE

## INSURANCE

### 2016.8 No. 3 National Flood Insurance Program

Further resolved that the National Association of Home Builders (NAHB) support congressional efforts to maintain the availability, predictability, affordability, and solvency of the National Flood Insurance Program (NFIP) and urge reauthorization of the program for a minimum of five years prior to its expiration.

Further resolved that NAHB urge Congress, in the reauthorization, to:

- Ensure that flood insurance is available and affordable to all properties in participating communities.
- Maintain the 100-year floodplain as the foundation for the NFIP's programmatic requirements, such as the current mandatory purchase requirement.
- Limit coverage to flood damage only, and thereby refrain from expanding coverage for wind-related or other damage;
- Continue to limit the NFIP's residential design, construction and modification requirements to only those structures located within the 100-year (1 percent annual chance) floodplain, regardless of any revision to the Special Flood Hazard Area, the area or standard for mandatory flood insurance purchase or any other additionally mapped area or standard added via Executive Order or guidance document.
- Refrain from making changes to the numbers, location or types of structures required to be covered by flood insurance (including those sited behind flood protection structures), unless and until it is empirically demonstrated with appropriate documentation that the risks and hazards justify the costs incurred to insure such buildings. Such documentation should include the regulatory, financial and economic impact of any such changes on FEMA, local communities and local land use, and should consider in particular:
  1. The liability on lenders to comply with any new regulations;
  2. The burden on building officials and floodplain managers to implement regulations in any new or expanded area;
  3. The impact on FEMA to process appeals, such as Letters of Map Change LOMC), Letters of Map Amendment (LOMA), and Letters of Map Revision LOMR);
  4. The burden to existing policy holders of floodplain properties;
  5. The increased cost for home construction;
  6. The impact on housing affordability; and
  7. The impact of reduced land availability.
- Recognize the varied opportunities and mitigation strategies available for reducing flood exposures and ensure needed regional and geographical flexibility by continuing to provide appropriate exemptions for floodproofed residential basements and other regionally appropriate building techniques designed to minimize structural flood damage.
- Maintain the threshold for "substantial improvement" as those that equal or exceed 50% of the value of the structure before the start of construction of the improvement using estimates that are reflective of local costs and conditions.
- Include a rate structure that is predictable, consistent, and tied to a set of factors readily understandable by all stakeholders.
- Specifically exclude damage and costs resulting from the failure of federally-controlled flood control structures from the calculations of flood damage, claims payments, and the determination of actuarial risks and flood insurance rates;
- Support a private insurance market if it:
  1. Does not adversely impact general program administration (e.g., mapping, fees, etc.), product offerings, insurance ratings or pricing, or the overall solvency of the NFIP;

## NAHB POLICY DUE TO EXPIRE

2. Offers products that are recognized by the GSEs and banking industry as acceptable forms of insurance;
  3. Offers products that, if purchased, meet the NFIP mandatory purchase requirements;
  4. Offers competitive products that are sufficiently available across the country; and
  5. Does not adversely impact community participation in the NFIP.
- Continue to be vigilant in working with FEMA to ensure the mapping process is timely, predictable and reliable, the maps are scientifically based and reflect true risks, and all parties have access to the most up to date and accurate data feasible.
  - Clarify that FEMA's responsibilities do not allow it to interfere with local land use authorities to protect endangered species and their habitat, or other purposes unrelated to floodplain management.
  - Ensure the routine drafting, public review, and publication of:
    1. An Independent Study prior to any change to the rate structures or tables that reviews the NFIP's enrollment and payout data, actuarial models and proposed actuarial rates, and assesses the impacts any proposed changes will impose on homeowners, home buyers, and businesses; and
    2. An annual report of overall program statistics and data to provide greater transparency and understanding of the impact of the NFIP on and among stakeholders.

Further resolved that NAHB urge FEMA, in updating and maintaining the FIRMs to:

- Allow sufficient time between the publishing of the new maps and their adoption by local jurisdictions so that the new elevations, their justifications, and all data regarding how private and public flood control structures have been addressed may be fully studied by and vetted through independent experts; and
- Continue its practice of notifying owners whose properties have been remapped or newly-mapped; and
- Ensure that the participation in the NFIP of affected jurisdictions will not be adversely affected during the interim between the maps' publication and effective date; and
- Revise the map appeals processes, including LOMC, LOMA, and LOMR to make them more transparent, timely, and predictable and ensure that they afford owners and jurisdictions ample opportunity to engage with the agency during the review.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Remains an active issue and a high priority for NAHB.

# NAHB POLICY DUE TO EXPIRE

## LABOR

### 2012.6 No. 5 Fall Protection

Resolved that NAHB urge OSHA to review and rework its fall protection standard to:

- 1) Make it more effective and less burdensome while providing protection to workers;
- 2) Be easily understood, implemented, and enforced and minimize any paperwork needed to demonstrate compliance;
- 3) Be tailored to address the individual risks posed by each of the various residential construction and remodeling activities, the temporary nature of many of these activities, and the business operations of the small businesses that make up a majority of the residential construction industry; and
- 4) Recognize that there are specific residential construction tasks/trades where it creates a greater hazard to use conventional fall protection and that using alternative fall protection methods in these situations is a viable option.

Further resolved that the NAHB remain committed to providing training to and educating its members on how to reduce the risk of fall-related work injuries and how to comply with OSHA's fall protection regulation.

*(Construction Safety and Health Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. NAHB continues to support efforts for OSHA to reopen and revise its fall protection rule, as it applies to residential construction, due to the continued confusion in the industry as to what fall protection standards must be complied with and what methods must be used to prevent fall-related accidents.

### 2012.2 No. 1 Comprehensive OSHA Reform

Resolved that NAHB take immediate and continued steps to work with OSHA and members of the U.S. House of Representatives and U.S. Senate to cause OSHA to revise its procedures and/or pass legislation to fundamentally change the way OSHA approaches and implements its programs and enforces regulations, issues citations, and assesses fines and penalties and transform OSHA into an agency that works with the nation's single family and multifamily builders to improve the safety of their operations. The fundamental transformation should start with, and be sustained by, the utilization of a "consultative approach" that promotes a mutually-beneficial relationship between OSHA and the nation's single family and multifamily builders that will bring about significant improvements in the development, implementation and use of safety practices; remove the "fear factor" associated with working with OSHA; benefit employees and their employers for the near and long-term future; and follow NAHB's current Occupational Safety and Health Program Reform policy.

*(Construction Safety and Health Committee, Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. NAHB testified before the House Education & Labor Committee in 2018 in support of OSHA adopting a more consultative approach. This policy has not yet been accomplished and NAHB needs to continue to push for OSHA reform that changes how the agency develops and enforces its regulations.

### 2008.9 No. 2 Fair Labor Standards Act and Overtime Pay

Resolved that NAHB provide information to the U.S. Department of Labor (DOL) to assist in determining whether home building employees are exempt under the overtime rules promulgated

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under the Fair Labor Standards Act.

Further resolved that NAHB urge DOL to issue a formal opinion that those individuals employed by home building companies to supervise and coordinate on-site construction –often referred to as “construction superintendents,” “project superintendents” or “field managers” – are exempt under the overtime rules promulgated under the Fair Labor Standards Act.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Legislation often includes provisions to amend Fair Labor Standards Act and Overtime Pay. Given that these issues are very active within the legislative process, NAHB should maintain this policy.

## 2008.5 No. 3 Union Secret Ballot Elections

Resolved that NAHB urge Congress and the Administration to oppose any effort to replace the current secret ballot process with a less private unionization vote or “card check” system.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. ‘Card check’ remains a very important issue within the labor community. NAHB is opposed to any effort that would replace the current secret ballot system; therefore, NAHB needs to be prepared to engage on any legislative or regulatory attempt to change the secret ballot system.

## 2004.10 No. 6 Davis Bacon Wage Requirements for HUD Housing Programs

Resolved that NAHB urge Congress, the Department of Housing and Urban Development and the Department of Labor to undertake the following changes to the Davis-Bacon requirements for federal housing programs:

- 1) Bring into conformance the Davis Bacon statutory and regulatory requirements for all federal housing programs.
- 2) Exempt small projects (50 or fewer units) from Davis Bacon.
- 3) Revise the Department of Labor construction classification system to classify all multifamily rental buildings as “residential” construction.
- 4) Require the Department of Labor to transmit prevailing wage rate surveys to NAHB-affiliated local home builders associations and subsequently accept survey input from NAHB members in computing local DOL prevailing wage rates.

*(Housing Finance Committee, Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Davis Bacon wage requirements continue to pose problems for NAHB members. No changes have been made that address NAHB’s concerns as expressed in the resolution.

## 2004.10 No. 13 Skilled Trades Outreach

Resolved that NAHB support the establishment of positive working relationships with agencies impacting construction education and training policy, including those where appropriate funding can be identified to further address the need for skilled workers in the construction industry.

Further resolved that NAHB will also work with Congress and the Administration to promote and enhance workforce education and training policies, and to identify funding opportunities to help the



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building industry recruit, train and retain its workers.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. This policy covers NAHB's efforts to advance the skilled trades within Congress and the Administration, and to work in conjunction with HBI to promote and protect its involvement with the Department of Labor, including its Job Corps program.

## 2004.4 No. 5 Hearing Conservation in Construction

Resolved that NAHB urge the Occupational Safety and Health Administration (OSHA) to rely on the existing construction industry noise standard to minimize hearing loss in workers instead of creating new requirements. However, in the event that a new standard is developed, NAHB urges that in this process, OSHA recognizes the differences between residential and general construction so that the regulation:

- 1) Only includes those specific residential construction activities that have been proven to pose a high risk of injuring hearing.
- 2) Allows the use of actual, historical or objective (i.e. industry-derived) noise exposure monitoring data to identify high noise level risks and tasks.
- 3) Minimizes paperwork and recordkeeping requirements.
- 4) Eliminates the need to conduct site-specific noise monitoring and individual hearing tests.
- 5) Effectively prevents construction-related hearing loss while being as cost-effective and reasonable as possible for employers.

*(Construction Safety and Health Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. OSHA recently announced in its 2016 Spring Regulatory Agenda that the agency will consider a new rule that would further regulate noise and subsequent hearing protection for workers on construction sites. This policy covers NAHB's efforts on this topic.

## 2000.5 No. 13 Apprenticeship Program Modernization

Resolved that NAHB support legislation that modernizes and expands the National Apprenticeship Act of 1937 to expedite the approval process for apprenticeship programs in order to increase job training opportunities.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. NAHB continues to support efforts to expand job training opportunities and expand apprenticeship opportunities for workers in the skilled trades. The NAA is up for reauthorization in 2020.

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## LAND DEVELOPMENT

### **2016.8 No. 2 Streamlining State and Local Permitting Requirements**

Recommended that NAHB staff conduct research and develop targeted resources to streamline the residential land use planning approval and permitting processes so that NAHB members can advocate at the state and/or local levels.

Further recommended that such resources be consistent with NAHB policies 2015.6 No. 4 Fair Housing Act Discrimination, 2010.4 No. 4 Inclusionary Zoning and 2010.4 No.3 NAHB Land Use Policy Statement.

Further recommended that such resources become part of NAHB's Affirmatively Furthering Fair Housing Toolkit for Members.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. Devala Janardan completed a report highlighting methods used to streamline the local land planning and permitting process in 2017.

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## RECOMMENDATION/INTERNAL DIRECTIVES

### 2016.8 No. 6 Structured Member Dues Payments

Recommended that NAHB and its affiliated associations work together to adopt, implement and roll out a voluntary program whereby members may pay their federation dues in monthly, quarterly or other increments more frequent than the existing annual format;

Further recommended that, if feasible, this program include an option for automatic payment and automatic renewal of dues payments; and

Further recommended that such an alternative dues payment program be introduced and made available to members as soon as is financially, technically and legally possible.

*(Membership Committee)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. This recommendation was addressed with the implementation of Dues Hub and can be sunset.

### 2016.8 No. 7 Test and Implement New Structures that Sustain & Grow Membership

Recommended that the NAHB prepare a plan and strategy to reinvent NAHB's membership payment structure and any aspect of NAHB that will better enable local and state associations around the country to retain and grow their membership bases; and

Further recommended that an outline of a plan be presented for review to NAHB's Board of Directors at the January 2017 IBS Meeting.

*(Budget and Finance Committee, Association Planning Committee)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. APC allowing to sunset the resolution as an Affiliation Fee Membership Pilot Program (AFMPP) was subsequently adopted.

### 2016.1 No. 9 Student Chapter Alumni Membership Class

Recommended that the National Association of Home Builders (NAHB) create a new membership class for "Student Chapter Alumni;"

Further recommended that all graduates of NAHB Student Chapter programs would qualify for Student Chapter Alumni membership for a period of three years immediately following the month and year of the respective student's graduation;

Further recommended that the annual dues payable to NAHB for Student Chapter Alumni members shall not exceed the amount of annual dues payable by NAHB Affiliate members; and

Further recommended that NAHB Student Chapter Alumni membership in good standing shall entitle the qualifying members to all NAHB member privileges, rights and perquisites excepting only those reserved for builder and associate members.

*(Membership Committee)  
(Expiration Date: 2020)*

**Recommendation:** Sunset. A Student Chapter Alumni Membership Class has been established and now exists.

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## 2012.6 No. 7 Amend "Builders For" Program

Recommends that NAHB amend the "Builders For" program's electronic communications to present to the membership at the top of the communication a clear opt-out option.

*(Federal Government Affairs Committee)*  
*(Expiration Date: 2020)*

**Recommendation:** Reaffirm. Providing a clear opt-out option is in compliance with existing federal laws and statutes.

# NAHB POLICY DUE TO EXPIRE

## TAX

### 2004.10 No. 10 Application and Allocation Fees in LIHTC Eligible Basis

Resolved that NAHB urge the Internal Revenue Service (IRS) to allow low-income housing tax credit application and allocation fees to be included in eligible basis in order to accurately reflect the capital expenditures in calculating the tax credit amount for the property.

Further resolved that should the IRS not allow this, NAHB urge Congress to enact legislation that will make the necessary revision.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.

### 2004.10 No. 11 Enforcement of Three-Year Provision for LIHTC Properties

Resolved that NAHB urge the Internal Revenue Service (IRS) to revise Revenue Ruling 2004-82 to apply its three-year rule provisions only to the period following the end of an extended use agreement, rather than to the entire affordability period of a Low-Income Housing Tax Credit (LIHTC) project.

Further resolved that should the IRS not make this application, NAHB urge Congress to enact legislation to make the necessary revision.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.

### 2004.1 No. 2 Improving the Low-Income Housing Tax Credit Program for the Production of New Affordable Housing

Resolved that NAHB urge Congress to make the following program improvements to the Low-Income Housing Tax Credit (LIHTC) statute in order to eliminate obsolete and burdensome requirements and financial risk while improving the program's ability to meet the nation's affordable housing needs:

- 1) Fix tax credit percentages at 4% and 9% instead of the current floating percentages pegged to interest rates.
- 2) Make the 10% carry-forward requirement incontestable once a building has been placed in service.
- 3) Allow separate ownership of housing credit units and market-rate units in mixed-income properties.
- 4) For projects financed with tax-exempt bonds, conform the next-available unit rule to the LIHTC rules instead of the tax-exempt bond rules.

*(Multifamily Council Board of Trustees)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.

### 2000.1 No. 5 Tax Credit for Affordable Homeownership

Resolved that NAHB urge Congress to provide tax credits for investors who make eligible housing investments covering the acquisition and substantial rehabilitation of existing housing and the construction of new housing to expand homeownership opportunities in targeted areas without

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diluting existing tax credit programs, and

Further resolved that any allocation agency must not give scoring or allocation preference to any entity based on its tax status, that the resulting reservation of funds allow for at least a 24-month construction cycle and that the allocating agency may not charge a fee in excess of the current allowed as eligible basis.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.

## **1996.9 No. 1 Legislation to Allow the Deductibility of Contributions to Loss Reserves by New Home Builders**

Resolved that NAHB urge Congress to pass legislation to allow builders to deduct reserves established for future warranty losses.

*(Federal Government Affairs Committee)  
(Expiration Date: 2020)*

**Recommendation:** Reaffirm. The policy goal outlined in this resolution has not yet been achieved.